

# ILLINOIS MUNICIPAL RETIREMENT FUND

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## Your Retirement Fund

No. 1

January, 1973

The Illinois Municipal Retirement Fund is created by State legislation. Its purpose is to provide a sound and efficient system for the payment of retirement annuities and disability and death benefits to employees of local governments in Illinois. This leaflet describes these benefits and explains how they are financed by both employee and employer contributions.

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*Administration  
Membership*

*Contributions*

*Disability  
Benefits*

*Death  
Benefits*

*Retirement  
Benefits*

*Pension Tables*

# **ADMINISTRATION**

## **How IMRF Is Administered**

IMRF is governed by a board of seven trustees—four are elected by employers and three by participating employees. Trustees receive no compensation—only reimbursement for expenses.

The Executive Director of the Fund is appointed by the Board of Trustees, and is charged with all administrative functions and supervision of staff employees. The Board also appoints medical and investment counsel, an actuary and an auditor. The State Treasurer is, by law, ex-officio treasurer of the Fund.

## **How the IMRF Plan Operates Locally**

IMRF covers nearly 2,000 separate units of government including cities and villages, counties, school districts, and various special districts, i.e. parks, forest preserves, airports, etc. Although total membership exceeds 165,000, it is still a local pension program. Each employer is building up its own savings account to provide for the pensions of its employees. Your employer also has its own Authorized Agent, appointed by the governing body, to handle the details of operation of the plan locally. He has the necessary forms to apply for all types of benefits.

If you have any questions about IMRF, see your Authorized Agent. If he doesn't have the answers to your questions, he can get them for you.



# MEMBERSHIP

## Employees Covered

If you work for a unit of government under IMRF, the law authorizes and directs your employer to make deductions from your earnings. If, through an oversight, the proper deductions are not made, your employer is responsible for their payment, but these may be recovered from you.

## Participating or Non-Participating\*

**Participating Employees** — Those employees who are eligible for IMRF benefits contribute to IMRF, and they also pay Social Security taxes.

**Non-Participating Employees** — Those employees who are not eligible for IMRF benefits pay Social Security taxes only.

\*See Definition of Terms on Back Page.

## Excluded Positions

Some employees are not covered by IMRF. The positions excluded are those of teachers, whose employment comes under the State Teachers' Retirement System and most policemen and firemen. Independent contractors are not employees and are not included under IMRF.

*Administration  
Membership*

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# IMRF DISABIL

## *A Comprehensive Z*

*If You Become Disabled  
for Monthly Z*

### **What Is A Disability?**

A disability is any physical or mental impairment which makes a participating employee unable to perform the duties of any position which might reasonably be assigned to him by his employing municipality. However, if the condition causing the disability existed on the first day of the employee's participation in IMRF, no benefits are payable to employees with less than 8 years continuous service. In addition, benefits are not payable for disabilities arising from chronic alcoholism, pregnancy or childbirth, self-inflicted injury, or addiction to narcotic drugs.

### **To Qualify for Disability Benefits**

You must be a participating employee under 65 at the time of disability — either on the payroll, or on an officially granted leave of absence. If you are discharged by your employer after you are disabled — and you otherwise qualify for disability benefits — you do not lose your rights to benefits because of the discharge.

You must have contributed to the Fund for at least one year immediately preceding disability.



# TY BENEFITS

## *Disability Program...*

### *You May Be Eligible for Disability Payments*

#### **IMRF Disability Benefits**

IMRF's monthly disability benefit is  $\frac{1}{2}$  pay for participating employees who have been disabled for more than 30 days. These benefits are reduced by the amount of Social Security disability payments to the employee. At age 65 IMRF disability benefits cease. However, the employee may then apply for retirement benefits.

There are two types of IMRF disability benefits

- (1) TEMPORARY, and
- (2) TOTAL AND PERMANENT.

- Temporary Disability Benefits may be paid for a period equal to  $\frac{1}{2}$  of your credited service, but in no case for more than 30 months of disability.
- Total and Permanent Disability Benefits may become payable when you have used up all of your temporary benefits. To qualify you must be totally and permanently disabled and unable to engage in any gainful employment whatsoever.

While you are receiving IMRF disability payments, your pension credits continue to build up at the same rate as if you were still working, and you also have the same death benefit coverage as an active employee.

*Death  
Benefits*

*Disability  
Benefits*

*Retirement  
Benefits*

*Pension Tables*

# IMRF RETIREMENT

*When You Retire.  
You a Month*

## **Your IMRF Pension**

Your IMRF pension is based on a simple formula — average monthly earnings times your years of service divided by 60. As your earnings increase and as your service grows, the amount of your ultimate pension increases. This is shown more clearly in the Pension Table on the following page. The pension will be paid for as long as you live.

- Service is your total time under IMRF, stated in years and fractions thereof. Service is credited monthly while you are working, while you are on approved leave of absence, or while you are receiving disability benefits. Seasonal employees in schools, parks, etc., also receive credit for off-season months.
- Average monthly earnings are your highest total earnings during any 48 consecutive months within your last 10 years of IMRF service, divided by 48. Usually, this is the average of the last 48 months of service.

## **Qualifications for An IMRF Pension**

1. At least 8 years of service credit.
2. At least 55 years old. The full amount of the pension will be paid if you are 60 years of age or more. If you retire with less than 35 years of service and the pension starts between ages 55 and 60 it is reduced  $\frac{1}{2}\%$  for each month you are under age 60.
3. You are not working in any job which requires you to be an IMRF participating employee.

# ENT BENEFITS

## *IMRF Guarantees Benefit for Life*

### **To Apply for Your Pension**

- Obtain an application form from your Authorized Agent. Fill it out and return it to him.
- Give your Authorized Agent a copy of your birth certificate.

It is important to file your application without delay. If the application is not received by IMRF within 60 days after your last day of work, you may lose one or more months of pension payments.

All IMRF pensions start on the first day of the month. If you retire at any time during a month, your pension will start on the first day of the following month.

### **How Your Pension Is Affected If You Return to Work**

1. YOUR IMRF PENSION WILL BE SUSPENDED if you return to work for a participating municipality in a job normally requiring 600 or more hours per year. You must again participate with full IMRF deductions from your earnings.

WHEN YOU AGAIN RETIRE, your suspended pension will be reinstated and a supplemental pension for your additional participating service will be added.

2. YOUR IMRF PENSION WILL CONTINUE if you take a job requiring less than 600 hours per year for a participating municipality. You will be required to pay Social Security taxes on any earnings you receive.
3. YOU ALSO WILL CONTINUE TO RECEIVE YOUR IMRF PENSION if you work for any private enterprise, or a governmental agency not covered by IMRF.

*Pension Tables*

*Retirement  
Benefits*



**TABLE FOR ESTIMATING  
MONTHLY IMRF AMOUNT**

**FOR EMPLOYEES WITH AVERAGE EARNINGS OF \$150**

| Average<br>Monthly<br>Earnings | YEARS OF CREDITABLE SERVICE |     |     |     |     |     |     |     |     |     |     |     |
|--------------------------------|-----------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
|                                | 8                           | 9   | 10  | 11  | 12  | 13  | 14  | 15  | 16  | 17  | 18  | 19  |
|                                | AMOUNT OF MONTHLY PENSION   |     |     |     |     |     |     |     |     |     |     |     |
| \$ 150                         | 20                          | 22  | 25  | 27  | 30  | 32  | 35  | 37  | 40  | 42  | 45  | 48  |
| 200                            | 26                          | 30  | 33  | 36  | 40  | 43  | 46  | 50  | 53  | 56  | 60  | 64  |
| 250                            | 33                          | 37  | 41  | 45  | 50  | 54  | 58  | 62  | 66  | 70  | 75  | 79  |
| 300                            | 40                          | 45  | 50  | 55  | 60  | 65  | 70  | 75  | 80  | 85  | 90  | 95  |
| 350                            | 46                          | 52  | 58  | 64  | 70  | 75  | 81  | 87  | 93  | 99  | 105 | 111 |
| 400                            | 53                          | 60  | 66  | 73  | 80  | 86  | 93  | 100 | 106 | 113 | 120 | 127 |
| 450                            | 60                          | 67  | 75  | 82  | 90  | 97  | 105 | 112 | 120 | 127 | 135 | 143 |
| 500                            | 66                          | 75  | 83  | 91  | 100 | 108 | 116 | 125 | 133 | 141 | 150 | 158 |
| 550                            | 73                          | 82  | 91  | 100 | 110 | 119 | 128 | 137 | 146 | 155 | 165 | 174 |
| 600                            | 80                          | 90  | 100 | 110 | 120 | 130 | 140 | 150 | 160 | 170 | 180 | 190 |
| 650                            | 86                          | 97  | 108 | 119 | 130 | 140 | 151 | 162 | 173 | 184 | 195 | 206 |
| 700                            | 93                          | 105 | 116 | 128 | 140 | 151 | 163 | 175 | 186 | 198 | 210 | 222 |
| 750                            | 100                         | 112 | 125 | 137 | 150 | 162 | 175 | 187 | 200 | 212 | 225 | 237 |
| 800                            | 106                         | 120 | 133 | 146 | 160 | 173 | 186 | 200 | 213 | 226 | 240 | 253 |
| 850                            | 113                         | 127 | 141 | 155 | 170 | 184 | 198 | 212 | 226 | 240 | 255 | 269 |
| 900                            | 120                         | 135 | 150 | 165 | 180 | 195 | 210 | 225 | 240 | 255 | 270 | 285 |
| 950                            | 126                         | 142 | 158 | 174 | 190 | 205 | 221 | 237 | 253 | 269 | 285 | 301 |
| 1000                           | 133                         | 150 | 166 | 183 | 200 | 216 | 233 | 250 | 266 | 283 | 300 | 317 |
| 1050                           | 140                         | 157 | 175 | 192 | 210 | 227 | 245 | 262 | 280 | 297 | 315 | 333 |
| 1100                           | 146                         | 165 | 183 | 201 | 220 | 238 | 256 | 275 | 293 | 311 | 330 | 349 |
| 1150                           | 153                         | 172 | 191 | 210 | 230 | 249 | 268 | 287 | 306 | 325 | 345 | 364 |
| 1200                           | 160                         | 180 | 200 | 220 | 240 | 260 | 280 | 300 | 320 | 340 | 360 | 380 |
| 1250                           | 166                         | 187 | 208 | 229 | 250 | 270 | 291 | 312 | 333 | 354 | 375 | 396 |
| 1300                           | 173                         | 195 | 216 | 238 | 260 | 281 | 303 | 325 | 346 | 368 | 390 | 411 |
| 1350                           | 180                         | 202 | 225 | 247 | 270 | 292 | 315 | 337 | 360 | 382 | 405 | 427 |
| 1400                           | 186                         | 210 | 233 | 256 | 280 | 303 | 326 | 350 | 373 | 396 | 420 | 443 |
| 1450                           | 193                         | 217 | 241 | 265 | 290 | 314 | 338 | 362 | 386 | 410 | 435 | 459 |
| 1500                           | 200                         | 225 | 250 | 275 | 300 | 325 | 350 | 375 | 400 | 425 | 450 | 475 |

### HOW TO USE THE ABOVE TABLE

1. Find your average monthly earnings in the left-hand vertical column.
2. Find your years of creditable service in the top line.
3. Your pension at age 60 or older will be the amount shown at the point where your earnings line and service column intersect.

#### EXAMPLE:

25 years service and average monthly earnings of \$600.00 will provide an IMRF pension of \$250.00 per month at age 60 or older. For retirement between ages 55 and 60 reduce the amount from table by ½ % for each month below age 60.

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AN APPROXIMATE  
PENSION (PENSION)

\$1,500 PER MONTH AND 8 TO 40 YEARS OF SERVICE

| 30 YEARS SERVICE     |     |     |     |     |     |     |     |     |     |     |     |      |
|----------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| 20                   | 21  | 22  | 23  | 24  | 25  | 26  | 27  | 28  | 29  | 30  | 35  | 40   |
| PENSION (IN DOLLARS) |     |     |     |     |     |     |     |     |     |     |     |      |
| 50                   | 52  | 55  | 57  | 60  | 62  | 65  | 67  | 70  | 72  | 75  | 87  | 100  |
| 66                   | 70  | 73  | 76  | 80  | 83  | 86  | 90  | 93  | 96  | 100 | 116 | 133  |
| 83                   | 87  | 91  | 95  | 100 | 104 | 108 | 112 | 116 | 120 | 125 | 145 | 166  |
| 100                  | 105 | 110 | 115 | 120 | 125 | 130 | 135 | 140 | 145 | 150 | 175 | 200  |
| 116                  | 122 | 128 | 134 | 140 | 145 | 151 | 157 | 163 | 169 | 175 | 204 | 233  |
| 133                  | 140 | 146 | 153 | 160 | 166 | 173 | 180 | 186 | 193 | 200 | 233 | 266  |
| 150                  | 157 | 165 | 172 | 180 | 187 | 195 | 202 | 210 | 217 | 225 | 262 | 300  |
| 166                  | 175 | 183 | 191 | 200 | 208 | 216 | 225 | 233 | 241 | 250 | 291 | 333  |
| 183                  | 192 | 201 | 210 | 220 | 229 | 238 | 247 | 256 | 265 | 275 | 320 | 366  |
| 200                  | 210 | 220 | 230 | 240 | 250 | 260 | 270 | 280 | 290 | 300 | 350 | 400  |
| 216                  | 227 | 238 | 249 | 260 | 270 | 281 | 292 | 303 | 314 | 325 | 379 | 433  |
| 233                  | 245 | 256 | 268 | 280 | 291 | 303 | 315 | 326 | 338 | 350 | 408 | 466  |
| 250                  | 262 | 275 | 287 | 300 | 312 | 325 | 337 | 350 | 362 | 375 | 437 | 500  |
| 266                  | 280 | 293 | 306 | 320 | 333 | 346 | 360 | 373 | 386 | 400 | 466 | 533  |
| 283                  | 297 | 311 | 325 | 340 | 354 | 368 | 382 | 396 | 410 | 425 | 495 | 566  |
| 300                  | 315 | 330 | 345 | 360 | 375 | 390 | 405 | 420 | 435 | 450 | 525 | 600  |
| 316                  | 332 | 348 | 364 | 380 | 395 | 411 | 427 | 443 | 459 | 475 | 554 | 633  |
| 333                  | 350 | 366 | 383 | 400 | 416 | 433 | 450 | 466 | 483 | 500 | 583 | 666  |
| 350                  | 367 | 385 | 402 | 420 | 437 | 455 | 472 | 490 | 507 | 525 | 612 | 700  |
| 366                  | 385 | 403 | 421 | 440 | 458 | 476 | 495 | 513 | 531 | 550 | 641 | 733  |
| 383                  | 402 | 421 | 440 | 460 | 479 | 498 | 517 | 536 | 555 | 575 | 670 | 766  |
| 400                  | 420 | 440 | 460 | 480 | 500 | 520 | 540 | 560 | 580 | 600 | 700 | 800  |
| 416                  | 437 | 458 | 479 | 500 | 520 | 541 | 562 | 583 | 604 | 625 | 729 | 833  |
| 433                  | 455 | 476 | 498 | 520 | 541 | 563 | 585 | 606 | 628 | 650 | 758 | 866  |
| 450                  | 472 | 495 | 517 | 540 | 562 | 585 | 607 | 630 | 652 | 675 | 787 | 900  |
| 466                  | 490 | 513 | 536 | 560 | 583 | 606 | 630 | 653 | 676 | 700 | 816 | 933  |
| 483                  | 507 | 531 | 555 | 580 | 604 | 628 | 652 | 676 | 700 | 725 | 846 | 966  |
| 500                  | 525 | 550 | 575 | 600 | 625 | 650 | 675 | 700 | 725 | 750 | 875 | 1000 |

OPTIONAL RETIREMENT PLAN

IMRF's optional retirement plan permits an employee who retires before age 62 to choose an increased IMRF benefit until he reaches age 62, and a reduced IMRF benefit thereafter. With the addition of the Social Security benefit at 62, or later, this option is intended to make it possible for a person retiring before age 62 to more nearly level his total pension income.

PENSION INCREASES AFTER RETIREMENT

Your IMRF pension will be increased every year after you retire. The increase is 2% of the amount of your original pension award. The increase is added to your pension on January 1 of each year. For example, if you retire on January 1, 1973 with an IMRF pension of \$200.00 per month, it will be increased to \$204.00 on January 1, 1974, to \$208.00 per month on January 1, 1975, etc.

# IMRF DEATH

*If You Should*

*IMRF Provides Liberal*

## **Death of a Participating Employee**

1. Upon the death of an employee with at least one year's service the beneficiary will receive a benefit consisting of an amount equal to one year's earnings, plus a refund of all of the employee's IMRF contributions, with interest.

**OR,**

When there is an eligible surviving spouse\* and the deceased employee had earned sufficient credits for a monthly pension, the spouse may elect to receive

- a \$1000 payment, plus
  - a monthly pension equal to  $\frac{1}{2}$  the amount of the deceased employee's pension.
2. Upon the death of an employee with less than one year's service, the beneficiary will receive a refund of all of the employee's IMRF contributions, with interest.

## **Death of a Former Employee**

Upon the death of a former employee who left his contributions with IMRF the beneficiary will receive a refund of all the employee's contributions, with interest.

**OR,**

Depending upon the age at death and years of service of the deceased person, an eligible surviving spouse\* may elect to receive

- a \$1000 payment, plus
- a monthly pension equal to  $\frac{1}{2}$  the pension the deceased person was eligible to receive.

\*See Definition of Terms on Back Page.

*Death  
Benefits*

*Retirement  
Benefits*

*Pension Tables*



# BENEFITS

*ould Die...*

*enefits to Your Survivors*

## **Death of a Pensioner**

1. If there is an eligible surviving spouse\*, he or she will receive:
  - (a) a pension equal to  $\frac{1}{2}$  of your retirement pension, plus
  - (b) a \$1000 payment
2. If there is no eligible surviving spouse\*, IMRF will pay:
  - (a) any remainder of your contributions, with interest, not paid to you in pension benefits, plus
  - (b) a \$1000 payment



## **Designation of Beneficiary**

Under the law a spouse is always the beneficiary for any benefit payable by IMRF upon the death of an employee or a pensioner. If there is no surviving spouse, the IMRF death benefit is paid in accordance with the beneficiary designation filed with IMRF.

## *A Financially* *Benefits are Funded by Employ*

### **What Employees Pay**

**Participating Employees** — Those who have IMRF benefit coverage pay:

- For IMRF — 4½ % of their earnings. This rate includes surviving spouse contributions equal to ¾ % of earnings. Employees who have no eligible spouse when they retire will receive a refund of their surviving spouse contributions, with interest.
- For Social Security — The Social Security tax in effect on the wage base set by the U. S. Congress.

### **What Your Deductions Are Used For:**

- To pay part of your own IMRF pension.
- To pay part of the cost of your spouse's pension.
- To pay your share of the Social Security tax.

**Non-Participating Employees** — They pay only the Social Security tax and get only Social Security coverage.

*Contributions*

*Disability  
Benefits*

*Death  
Benefits*

*Retirement  
Benefits*

*Pension Tables*



## *Sound Plan...*

### *and Employer Contributions*

#### **What Your Employer Pays**

- Most of the cost of your IMRF retirement pension.
- The employer's share of the Social Security tax.
- Most of the cost of death benefits to your survivors.
- The whole cost of any disability benefits you might draw, and the cost of building up your pension credits while you are receiving disability payments.
- The cost of administering the Fund.

#### **If You Leave Your Job, You Can't Lose Your IMRF Contributions**

If you stop working as an IMRF participant, all your IMRF contributions — excluding Social Security taxes — will be returned to you in a lump sum. Or, if you choose, you may leave your contributions with IMRF for future pension purposes. If you have earned a pension of at least \$30.00 per month and you are at least 55 years of age when you stop working, your contributions cannot be withdrawn in a lump sum but are returned to you as part of your lifetime pension.

If you die, your beneficiary will receive all your IMRF contributions, with interest — excluding Social Security taxes. Other death benefits may be payable by IMRF, depending on your length of service, age, etc.

## Definition of Terms

- **You are considered a “Participating Employee” if:**
  1. Your job normally requires 600 or more hours in a year — it is the number of hours per year normally *required by your job* that counts, *not* how many hours you work in a particular year, and
  2. You were less than age 60 when you were first employed under IMRF.
- **You are considered a “Non-Participating Employee” if:**
  1. Your job normally requires less than 600 hours of service in a year, or
  2. You are age 60 or more when first employed under IMRF.
- **Elected Officials and City Hospital Employees** have an option to be “participating employees”, providing they meet all of the eligibility requirements. To participate, they must file a written election (which cannot be revoked) with the Fund. Otherwise, they are “non-participating employees” covered for Social Security only.

## Eligible Surviving Spouse

A surviving spouse must have been married to the IMRF member for at least one year prior to a participating member's death, or a retired member's termination of service, in order to be eligible to receive monthly benefits. When the surviving spouse is more than 5 years younger than the deceased employee, the spouse's pension is actuarially reduced to an amount less than one half of the employee's pension. In the event there is no eligible surviving spouse, monthly benefits may be payable to any unmarried children of the deceased member until they attain age 18.

For further information write:

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